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Consumer Price Index, Boston-Cambridge-Newton — July 2018

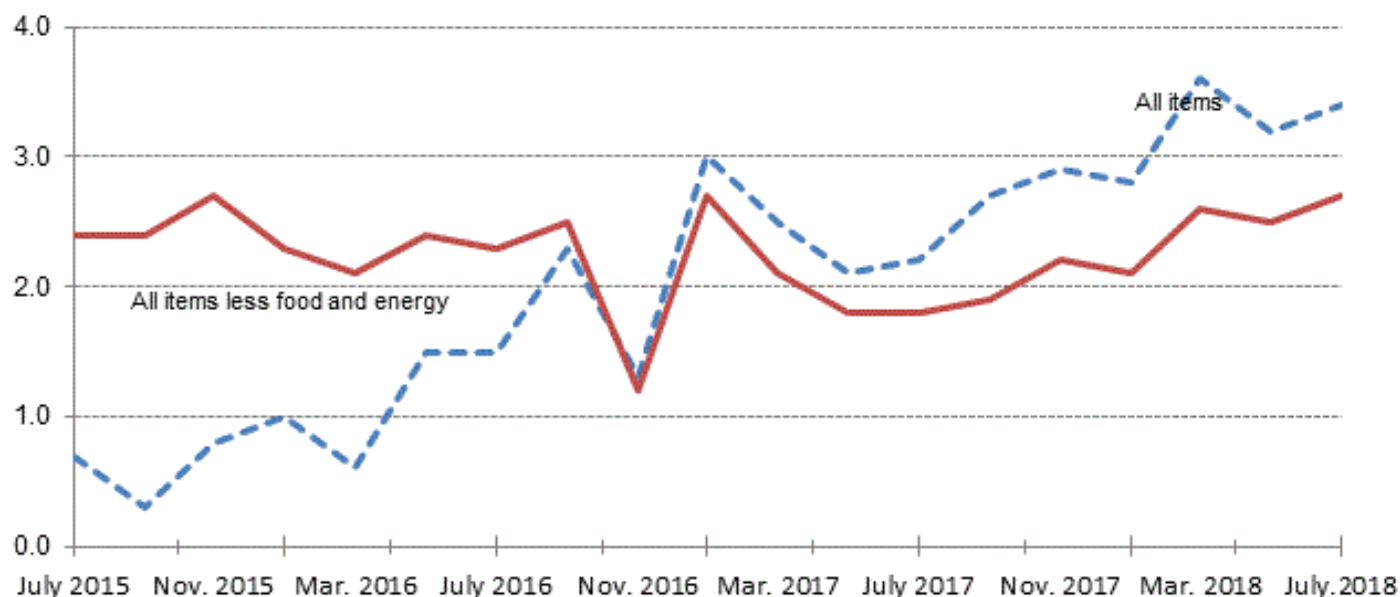
Area prices up 0.3 percent over two months; up 3.4 percent from a year ago

The Consumer Price Index for All Urban Consumers (CPI-U) in the Boston-Cambridge-Newton area increased 0.3 percent in July, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Deborah A. Brown noted that this was mainly attributable to higher prices within all items less food and energy, up 0.3 percent and to a lesser extent higher food prices, up 0.7 percent. Lower energy prices particularly offset the overall increase. (Data in this report are not seasonally adjusted. Accordingly, bimonthly changes may reflect the impact of seasonal influences.)

Over the last 12 months, the Boston CPI-U rose 3.4 percent. The increase was largely attributable to higher prices within all items less food and energy up 2.7 percent and to a lesser extent higher energy prices paid by area consumers, up 14.8 percent(See [chart 1.](#)).

Chart 1. Over-the-year percent change in CPI-U, Boston-Cambridge-Newton, July 2015 - July 2018

Percent



Source: U.S. Bureau of Labor Statistics.

Food

Food prices edged up 0.7 percent since May, mainly due to higher food at home and restaurant prices up 0.7 percent each. Higher food at home prices were mainly driven by higher prices for fruits and vegetables; and nonalcoholic beverages and beverage materials which was mainly offset by other food at home prices.

Food prices increased 1.4 percent over the year, mainly due to higher food away from home prices, up 2.2 percent, and to a lesser extent, food at home prices, up 1.0 percent.

Energy

The energy index decreased 1.0 percent over the two months, mainly driven by lower electricity prices, down 2.5 percent and to a lesser extent, utility piped gas prices down 1.3 percent.

Energy prices were up 14.8 percent from a year ago, largely attributable to gasoline prices, up 27.6 percent and to a lesser extent electricity prices, up 4.6 percent.

All items less food and energy

The index for all items less food and energy increased from May (0.3 percent) mainly due to higher shelter costs, up 0.6 percent which was offset by lower apparel costs. Within shelter, higher prices in owners' equivalent rent of residences, up 0.5 percent and lodging away from home drove the increase. Higher recreation and new and used motor vehicles costs also contributed to the increase, up 2.2 percent and 3.1 percent respectively.

Over the year, the index for all items less food and energy rose 2.7 percent, with higher shelter costs being the main driver of the increase, up 4.3 percent. Within shelter, higher costs for owners' equivalent rent of residences, up 4.0 percent and rent of primary residence, up 4.8 percent led the increase. To a lesser extent, higher prices for education and communication, up 4.6 percent, also contributed to the increase.

CPI-W

In July, the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) was 274.186. The CPI-W increased 0.2 percent over two months and increased 3.5 percent over the year.

The September 2018 Consumer Price Index for Boston-Cambridge-Newton is scheduled to be released on Thursday, October 11, 2018, at 8:30 a.m. (ET).

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 94 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers approximately 28 percent of the

total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 75 urban areas across the country from about 5,000 housing units and approximately 22,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.












































The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at www.bls.gov/opub/hom/pdf/homch17.pdf.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The Boston-Cambridge-Newton, Mass.-N.H. Core Based Statistical Area covered in this release is comprised of Essex, Middlesex, Norfolk, Plymouth, Suffolk Counties in Massachusetts; Rockingham, Strafford Counties in New Hampshire.














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Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Boston-Cambridge-Newton, Ma.-N.H. (1982-84=100 unless otherwise noted) (not seasonally adjusted)

Expenditure category	Indexes				Percent change from		
	Historical data	May 2018	Jun. 2018	Jul. 2018	Jul. 2017	May 2018	Jun. 2018
All items.....		274.668		275.402	3.4	0.3	
All items (1967 = 100)		798.331		800.463			
Food and beverages		263.450		264.699	1.3	0.5	
Food		264.892		266.755	1.4	0.7	
Food at home		249.383	248.792	251.117	1.0	0.7	0.9
Cereal and bakery products		292.255		292.678		0.1	
Meats, poultry, fish, and eggs.....		255.324		255.168		-0.1	
Dairy and related products		269.595		277.616		3.0	
Fruits and vegetables		329.680		339.768		3.1	
Nonalcoholic beverages and beverage materials(1)		160.060		166.914		4.3	
Other food at home		197.815		191.362		-3.3	
Food away from home.....		291.991		294.080	2.2	0.7	
Alcoholic beverages		251.274		245.495	-0.4	-2.3	
Housing		282.202		283.437	4.2	0.4	
Shelter		334.416	335.400	336.539	4.3	0.6	0.3
Rent of primary residence(2).....		348.172	347.370	348.095	4.8	0.0	0.2
Owners' equivalent rent of residences(2)(3)(4).....		354.210	356.026	356.094	4.0	0.5	0.0
Owners' equivalent rent of primary residence(2)(3)(4).....		354.210	356.026	356.094	4.0	0.5	0.0
Fuels and utilities.....		280.596		276.685	5.1	-1.4	
Household energy		236.437	236.251	232.308	5.9	-1.7	-1.7
Energy services(2)		242.149	242.192	236.999	0.9	-2.1	-2.1
Electricity(2).....		295.163	295.163	287.766	4.6	-2.5	-2.5
Utility (piped) gas service(2).....		155.159	155.249	153.190	-2.4	-1.3	-1.3
Household furnishings and operations.....		127.078		127.778	0.0	0.6	
Apparel.....		140.783		127.662	-6.6	-9.3	
Transportation		198.836		199.697	7.6	0.4	
Private transportation		198.693		201.471	9.3	1.4	
New and used motor vehicles(5).....		102.925		106.101		3.1	
New Vehicles(1)		205.615		205.905		0.1	
Used cars and trucks(1)		317.195		321.191		1.3	
Motor fuel		252.026	254.713	251.903	27.7	0.0	-1.1
Gasoline (all types).....		249.162	251.819	249.028	27.6	-0.1	-1.1
Gasoline, unleaded regular(6).....		242.607	245.178	242.426	28.4	-0.1	-1.1
Gasoline, unleaded midgrade(6)(7).....		258.530	262.664	259.457	23.9	0.4	-1.2
Gasoline, unleaded premium(6).....		254.673	257.268	254.763	21.9	0.0	-1.0
Motor vehicle insurance(1).....							
Medical care		649.745		654.220	2.4	0.7	
Recreation(5).....		120.157		122.787	-1.0	2.2	
Education and communication(5).....		164.946		165.467	4.6	0.3	
Tuition, other fees, and child care(1).....		1,317.577		1,328.680		0.8	
Other goods and services		486.417		485.200	0.6	-0.3	
Commodity and service group							
Commodities		193.580		192.396	2.4	-0.6	
Commodities less food and beverages		156.827		154.574	3.2	-1.4	

Note: See footnotes at end of table.

Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Boston-Cambridge-Newton, Ma.-N.H. (1982-84=100 unless otherwise noted) (not seasonally adjusted) - Continued

Expenditure category	Indexes				Percent change from		
	Historical data	May 2018	Jun. 2018	Jul. 2018	Jul. 2017	May 2018	Jun. 2018
Nondurables less food and beverages...		208.402		203.372	6.1	-2.4	
Durables		107.992		108.134	-0.8	0.1	
Services.....		348.157		350.516	3.9	0.7	
Special aggregate indexes							
All items less shelter.....		253.770		253.854	2.8	0.0	
All items less medical care		260.204		260.817	3.4	0.2	
Commodities less food		160.659		158.275	3.0	-1.5	
Nondurables		235.081		233.156	3.5	-0.8	
Nondurables less food.....		210.535		205.474	5.6	-2.4	
Services less rent of shelter(3).....		380.963		383.731	3.1	0.7	
Services less medical care services.....		327.050		329.169	3.9	0.6	
Energy		241.495	242.558	239.136	14.8	-1.0	-1.4
All items less energy		281.716		282.736	2.5	0.4	
All items less food and energy		285.461		286.340	2.7	0.3	

Footnotes

(1) Indexes on a January 1978=100 base.

(2) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

(3) Indexes on a November 1982=100 base.

(4) This index series underwent a change in composition in January 2010. The expenditure class now includes weight from secondary residences, and has been re-titled "Owners' equivalent rent of residences." The item stratum "Owners' equivalent rent of primary residence" excludes secondary residences.

(5) Indexes on a December 1997=100 base.

(6) Special index based on a substantially smaller sample.

(7) Indexes on a December 1993=100 base.

Note: Index applies to a month as a whole, not to any specific date.